NEVADA ENVIRONMENTAL RESPONSE TRUST

LE PETOMANE XXVII, INC., NOT INDIVIDUALLY BUT SOLELY AS ENVIRONMENTAL RESPONSE TRUST TRUSTEE

4Q 2018 STAKEHOLDER CONFERENCE CALL

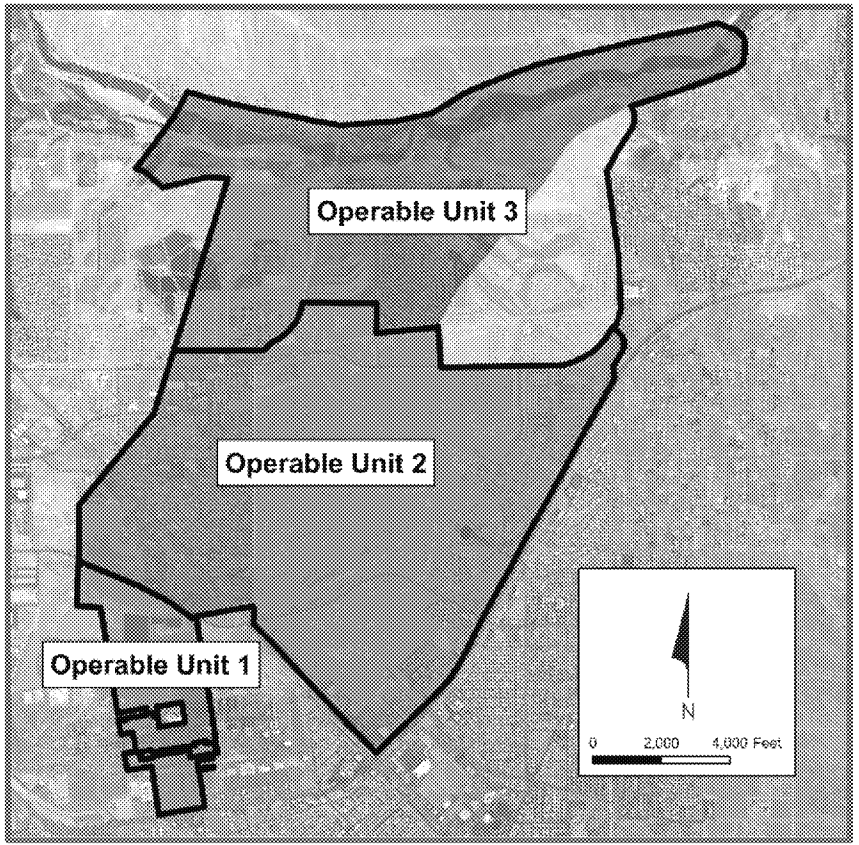
NOVEMBER 7, 2018

STATE OF THE TRUST – 4Q 2018

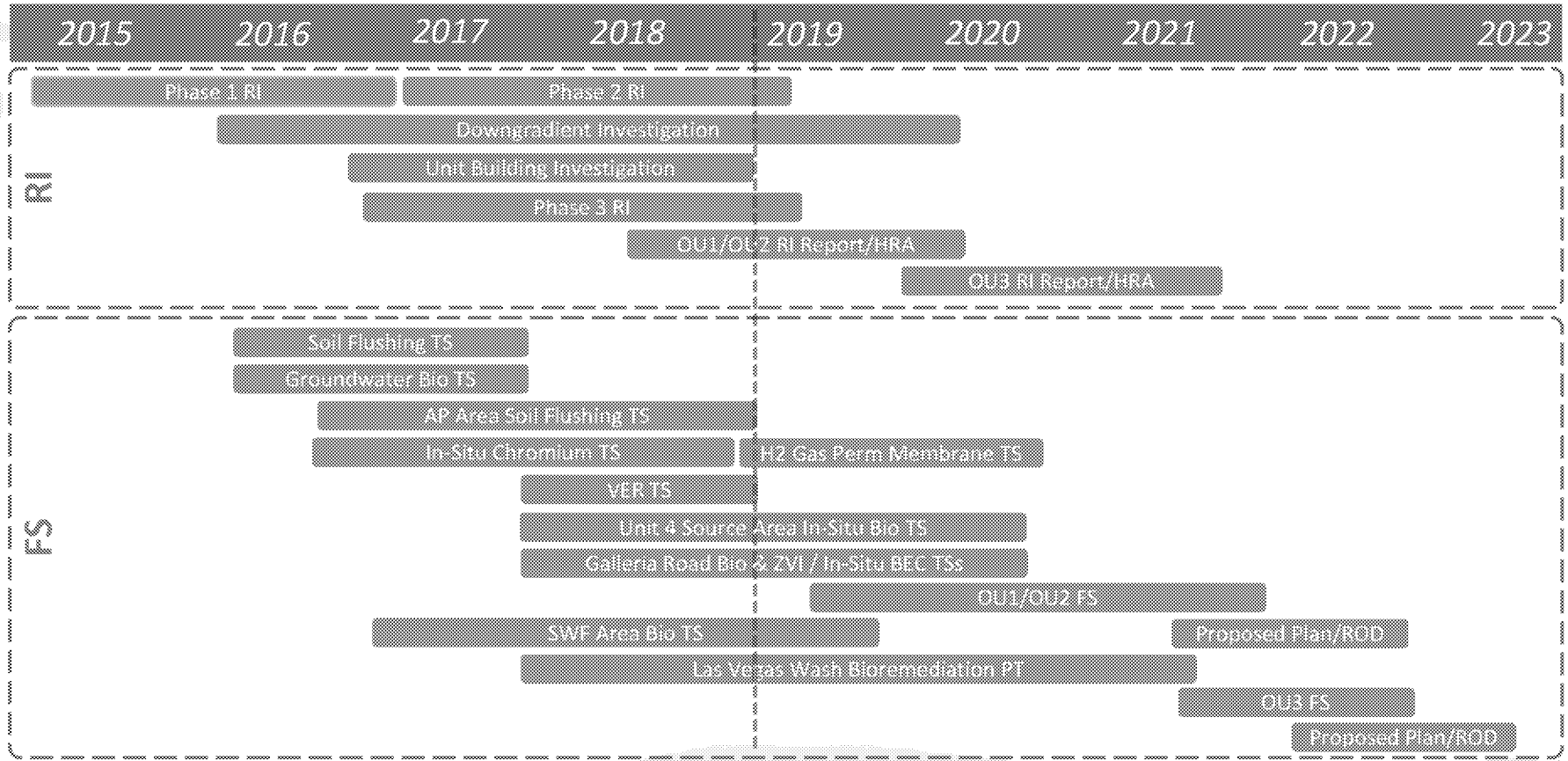
- Remedial Investigation on schedule
  - Phase 3 RI within OU-2 has been completed
  - Phase 3 RI within OU-3 largely complete
  - Downgradient Phase 2 groundwater work plan under preparation
- Feasibility Study on schedule
  - 6 treatability / pilot studies currently underway
- AP-5 Pond closure activities largely complete (reporting underway)
- Drafting of OU-1/OU-2 Remedial Investigation Report underway
- YTD 2018 costs and investment income thus far as projected
- Continued progress on NERT Third Amendment
- Advancing dialogue on AMPAC matter

NERT REMEDIAL STRATEGY

- OU strategy implemented in 2017 to expedite remedy implementation
- RAOs established for each OU
  - OU 1: Site Source Control and Containment
  - OU 2: Mid-Plume Containment and Mass Removal
  - OU 3: Mitigate Discharge to Las Vegas Wash



REMEDIAL PROGRAM UPDATE



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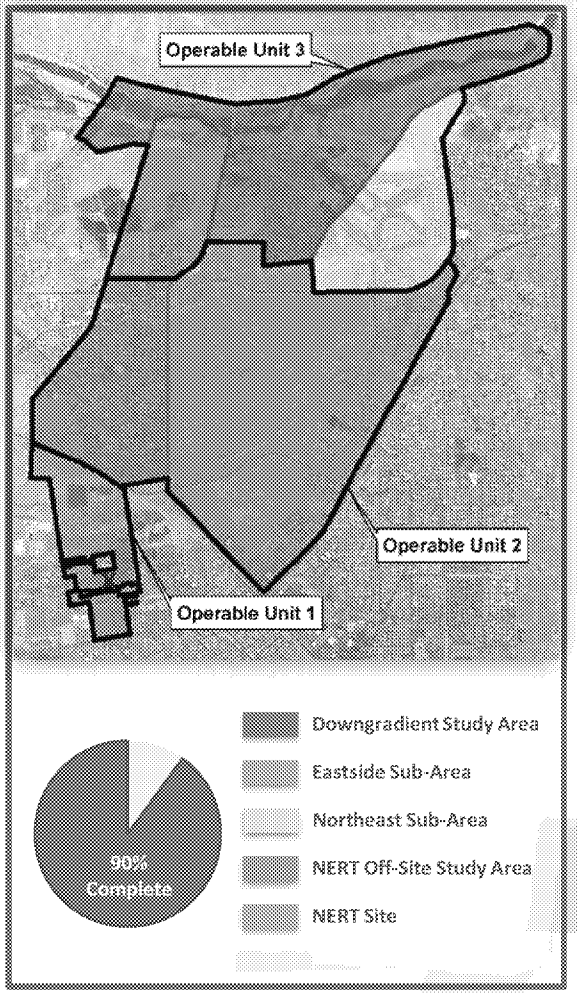
REMEDIAL PROGRAM UPDATE: OU-1/OU-2

4Q 2018 STAKEHOLDER CONFERENCE CALL

REMEDIAL PROGRAM UPDATES

OU-1 / OU-2: UNIT 4 & 5 BUILDINGS INVESTIGATION

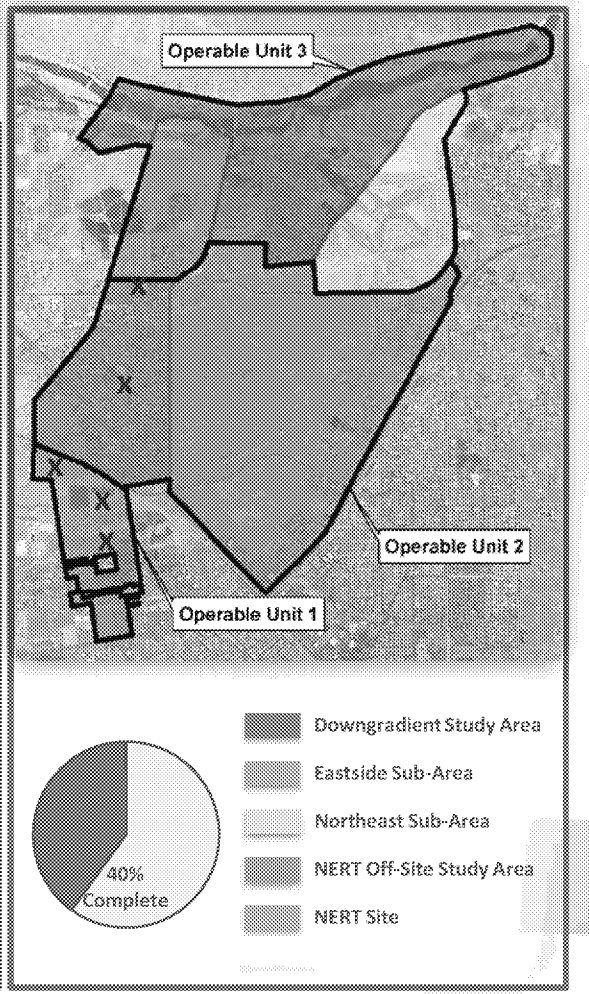
- Field work complete
  - 21 permanent wells
  - 330 groundwater samples
  - 77 soil borings
  - 1,527 soil samples
- Data evaluation and report preparation underway
- Report will be submitted as part of the OU-1 / OU-2 RI Report (March 2019)



REMEDIAL PROGRAM UPDATES

OU-1 / OU-2: PHASE 2 RI MODIFICATIONS

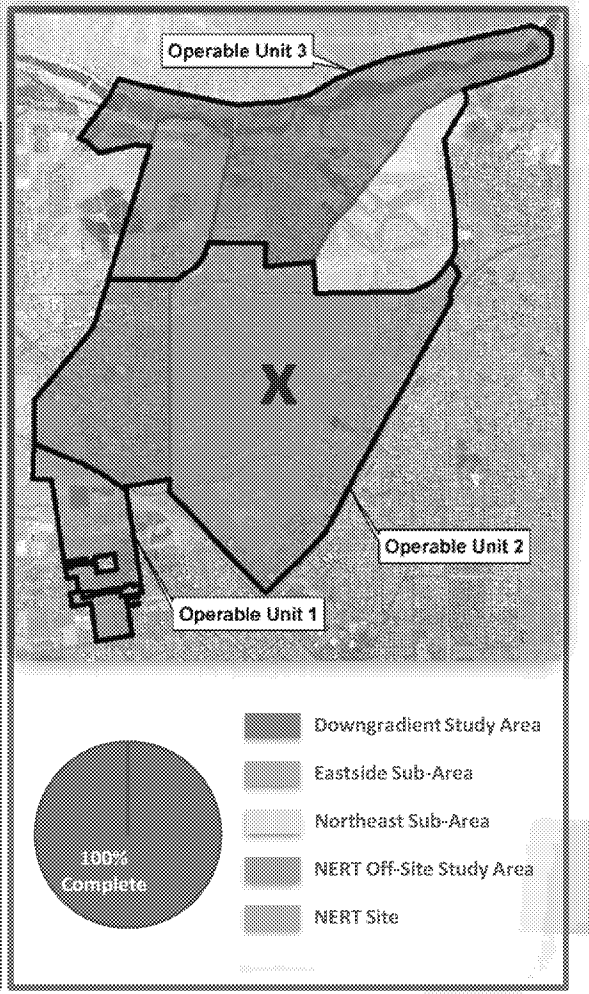
- Modification #11 : OU-1/OU-2 Soil Gas Investigation beginning in November 2018
- Modification #12 : Parcel E site characterization activities underway
- Modification #13: North Property Boundary Soil Boring/Wells underway
- Additional Work Plans:
  - Barrier Wall Geophysical Integrity Evaluation underway
  - AWF Capture Evaluation / UMCf Matrix Diffusion Evaluation underway



REMEDIAL PROGRAM UPDATES

OU-1 / OU-2: PHASE 3 RI

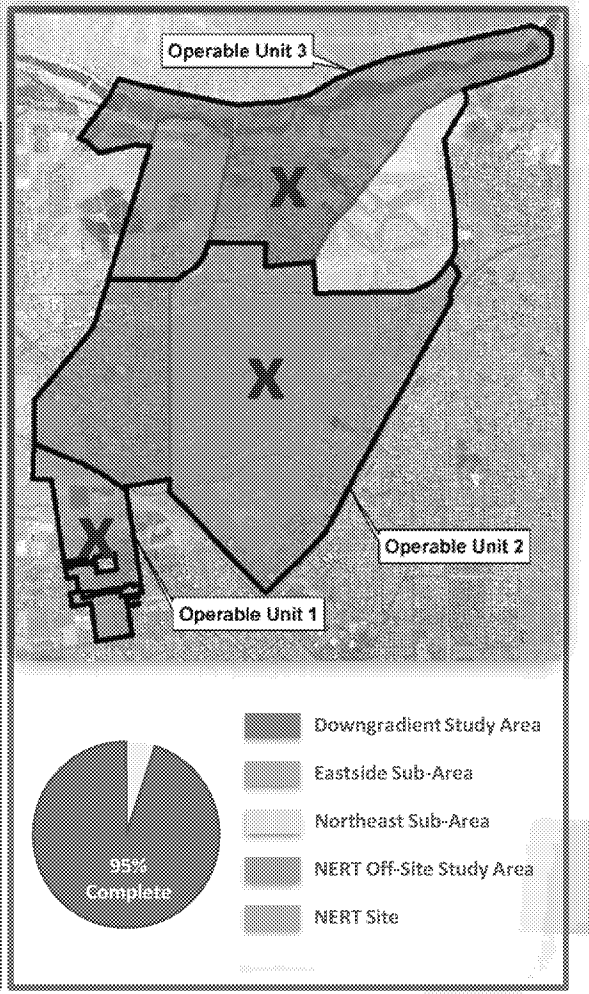
- Drilling and Soil Sampling - Complete
  - 27 monitoring wells
  - 18 soil borings
  - 57 transect borings
  - 580 soil samples
  - 186 physical test samples
- Well Development, Sampling, and Hydraulic Testing - Complete
  - 27 new monitoring wells developed and sampled
  - 113 existing wells sampled
  - 30 wells slug tested



REMEDIAL PROGRAM UPDATES

OU-1 / OU-2: PHASE 3 RI MODIFICATIONS

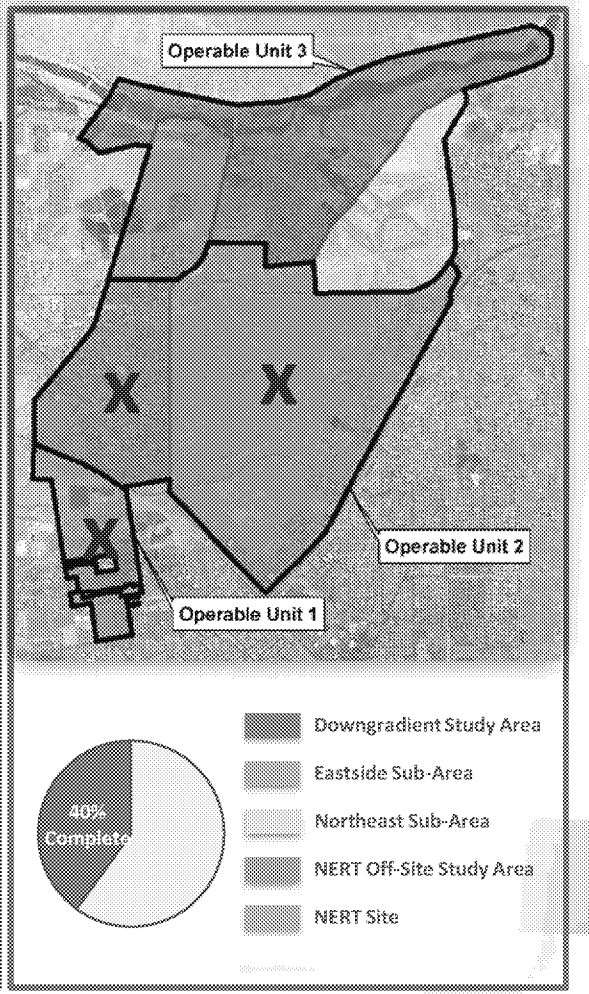
- Modification #3: Nuclear Magnetic Resonance (NMR) logging of historical and RI wells largely complete



REMEDIAL PROGRAM UPDATES

OU-1 / OU-2: RI REPORT

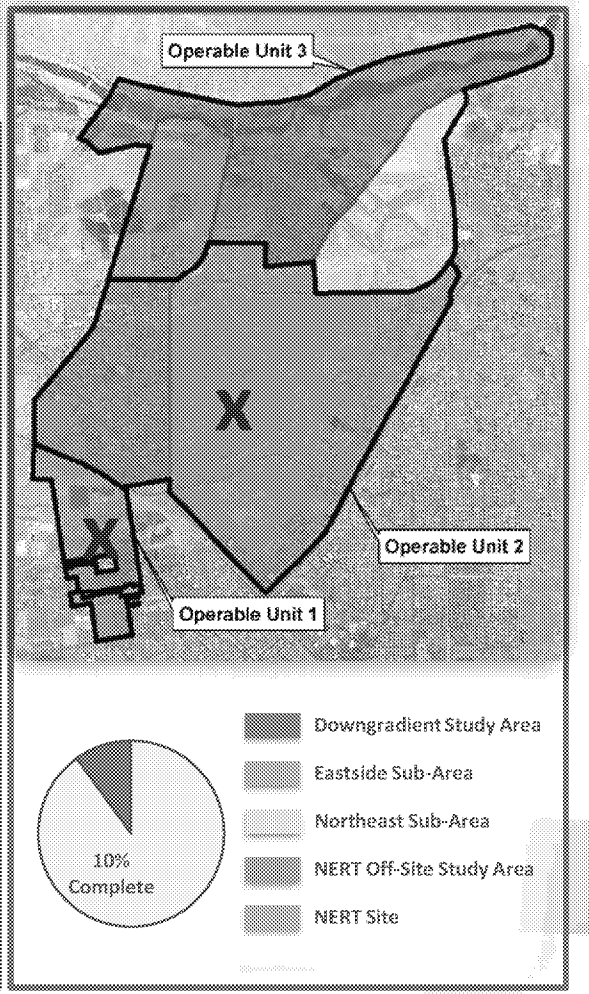
- Preparation of RI Report in progress
  - Data evaluation underway
  - Geologic cross section development underway
  - Initial draft sections of RI Report (Introduction, Site History, Regulatory Actions and Site Investigations, Physical and Environmental Setting, Conceptual Site Model, and Risk Assessment Summary)
- Stakeholder Roundtable scheduled for December 13, 2018
- OU-1/OU-2 RI Report to be submitted in March 2019



REMEDIAL PROGRAM UPDATES

OU-1 / OU-2: RISK ASSESSMENTS

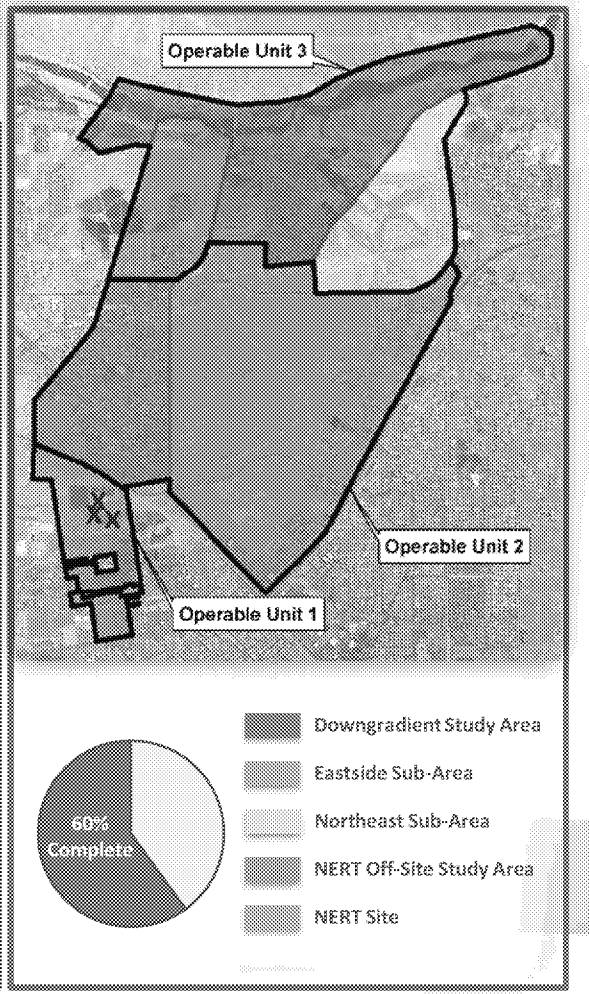
- OU-1 Soil COPC / Decision Unit Report approved in December 2017
- Revised OU-2 Screening-Level Ecological Risk Assessment Work Plan approved on October 30, 2018
- OU-1 / OU-2 Soil Gas / Groundwater Baseline Health Risk Assessment Work Plan under revision; work plan to be submitted in January 2019
- OU-1 Soil Baseline Health Risk Assessment underway; report to be submitted in 1Q 2019
- OU-1 / OU-2 Human Health and Ecological Risk Assessment reports to be submitted in 3Q 2019



REMEDIAL PROGRAM UPDATES

OU-1 / OU-2: FEASIBILITY STUDY

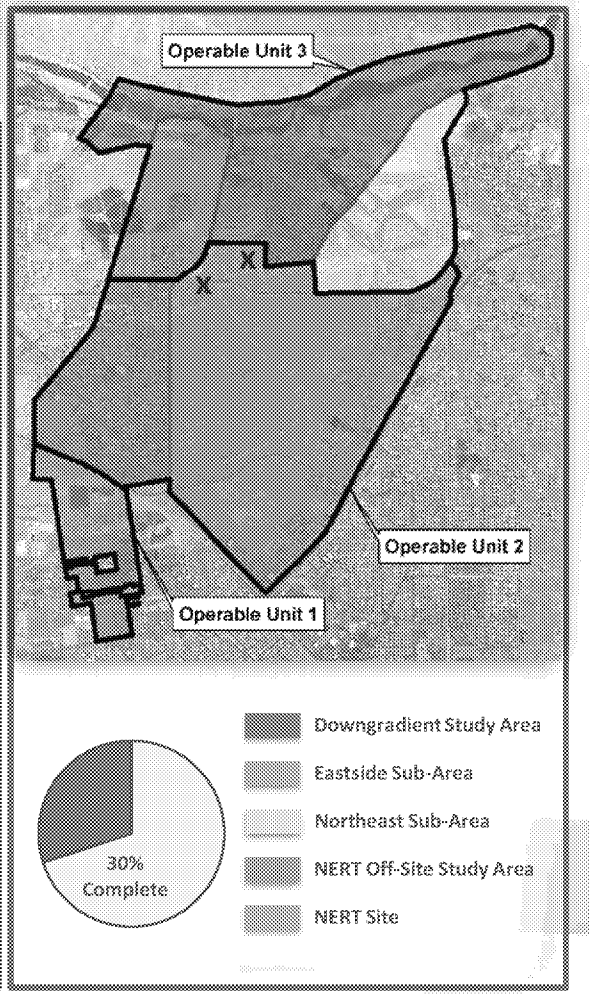
- In-Situ Chromium Treatability Study
  - Report approved in August 2018
  - Report addendum preparation underway
- Vacuum Enhanced Recovery Treatability Study
  - Report approved in September 2018
  - Post-test groundwater sampling completed
- AP Area Soil Flushing Treatability Study
  - Report submitted in July 2018
  - Revised report under preparation for submittal in December 2018



REMEDIAL PROGRAM UPDATES

OU-1 / OU-2: FEASIBILITY STUDY

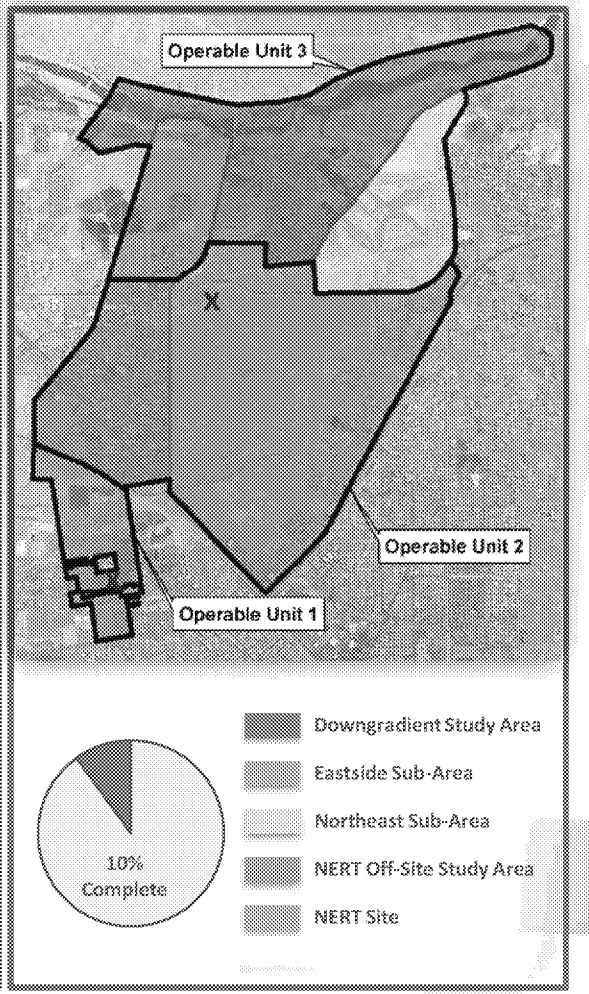
- Galleria Road Bioremediation Treatability Study
  - Phase 1 field activities completed
  - Stakeholder Roundtable to be held in 1Q 2019
  - Work Plan Addendum (incl. third-party cost review) to be submitted in 1Q 2019
  - Final Report to be submitted in 2Q 2020
- Galleria Road ZVI Treatability Study
  - Phase 1 field activities completed
  - Stakeholder Roundtable to be scheduled 1Q 2019
  - Work Plan Addendum (incl. third-party cost review) to be submitted in 1Q 2019
  - Report to be submitted in 2Q 2020



REMEDIAL PROGRAM UPDATES

OU-1 / OU-2: FEASIBILITY STUDY

- Unit 4 In-Situ Source Area Treatability Study
  - Site characterization activities ongoing
  - Stakeholder Roundtable to be scheduled 1Q 2019
  - Work Plan Addendum (incl. third-party cost review) to be submitted in 2Q 2019
  - Report to be submitted in 4Q 2020
- In-Situ Bioelectrochemical Laboratory-Scale Treatability Study
  - Work Plan approved in May 2018
  - Laboratory testing underway
- OU-1/OU-2 Feasibility Study to be submitted in 1Q 2021



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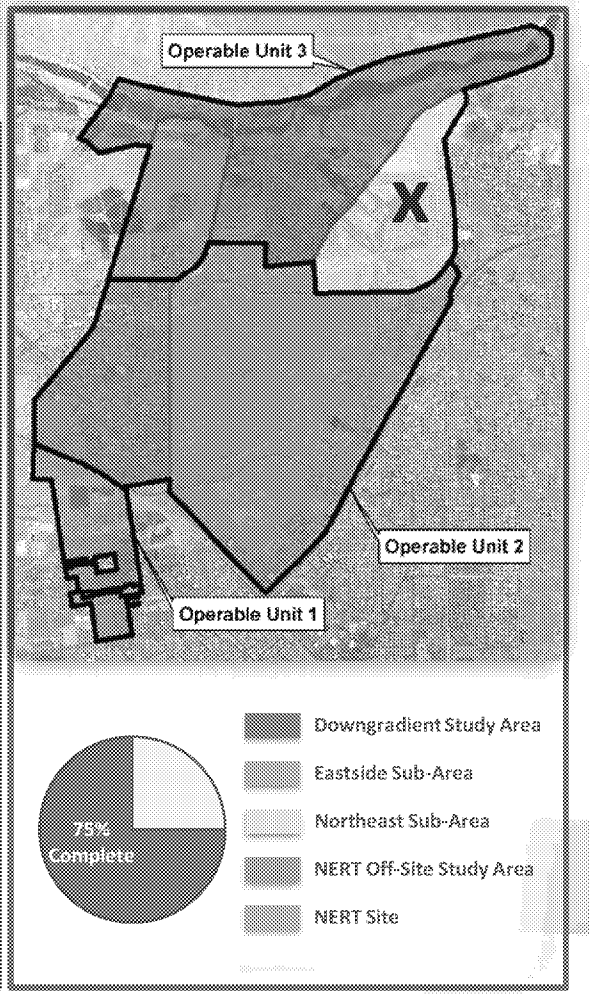
REMEDIAL PROGRAM UPDATE: OU-3

4Q 2018 STAKEHOLDER CONFERENCE CALL

REMEDIAL PROGRAM UPDATES

OU-3: PHASE 3 RI

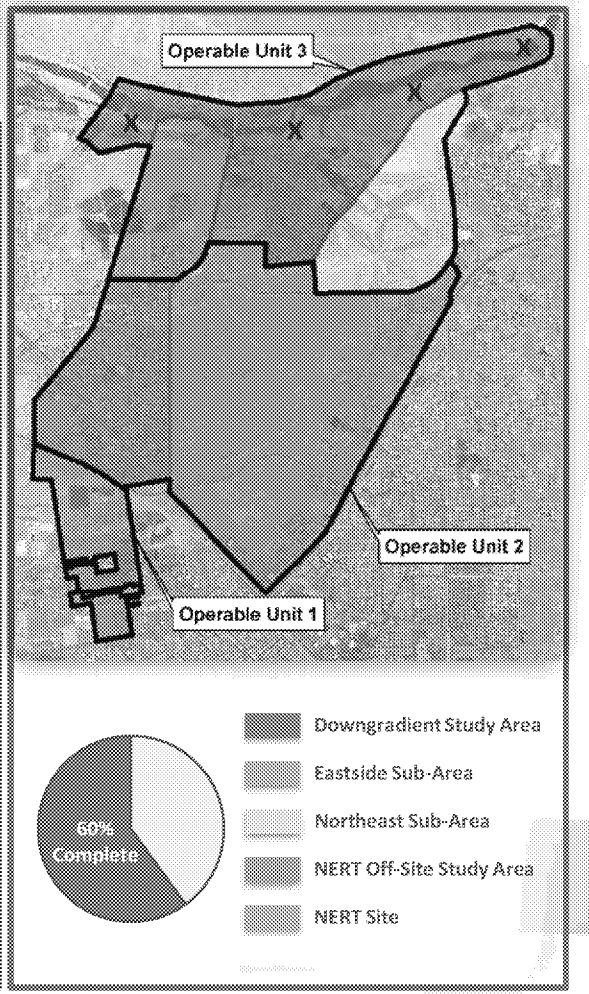
- Drilling and Soil Sampling Completed To Date:
  - 11 monitoring wells
  - 7 transect borings
  - 105 soil samples and 66 physical test samples
- Well Development, Sampling, and Hydraulic Testing Completed To Date:
  - 11 new monitoring wells developed / sampled
  - 30 existing wells sampled
  - 11 wells slug tested
- Final round of groundwater sampling in November 2018
- Well sampling and hydraulic testing largely complete



REMEDIAL PROGRAM UPDATES

OU-3: DOWNGRADIENT INVESTIGATION

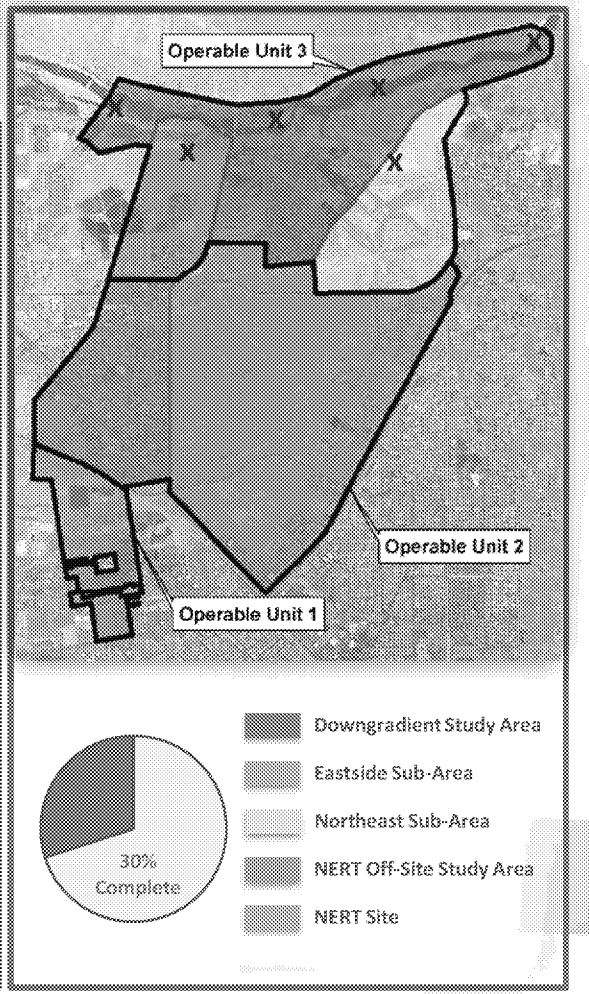
- Thermal Infrared Investigation and Distributed Temperature Survey completed
- Surface Water Sampling completed
- Phase 1 Groundwater Investigation completed
- Phase 1 Groundwater Tech Memo under preparation
- Surface Water Investigation Tech Memo under preparation
- Phase 2 Groundwater Investigation anticipated to begin 1Q 2019



REMEDIAL PROGRAM UPDATES

OU-3: PHASE 2 RI MODIFICATIONS

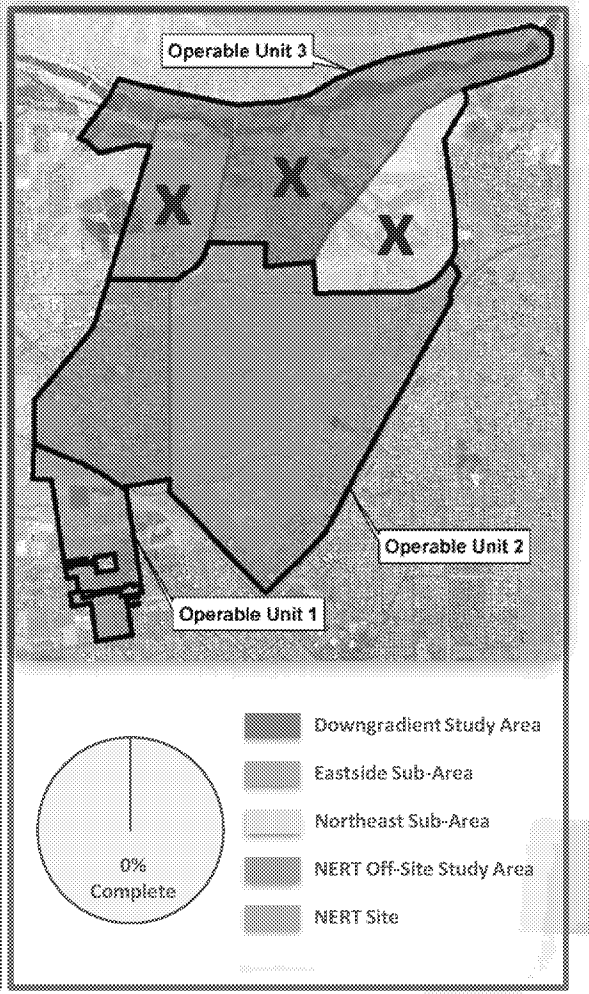
- Modifications # 3, 10, & 14 : Surface water sampling program ongoing
- Forthcoming Modifications
  - Groundwater well installation in paleochannel just north of Tuscany Village community
  - Additional deep soil borings planned within NERT Off-site RI Study Area to complement Downgradient Investigation



REMEDIAL PROGRAM UPDATES

OU-3: RI REPORT

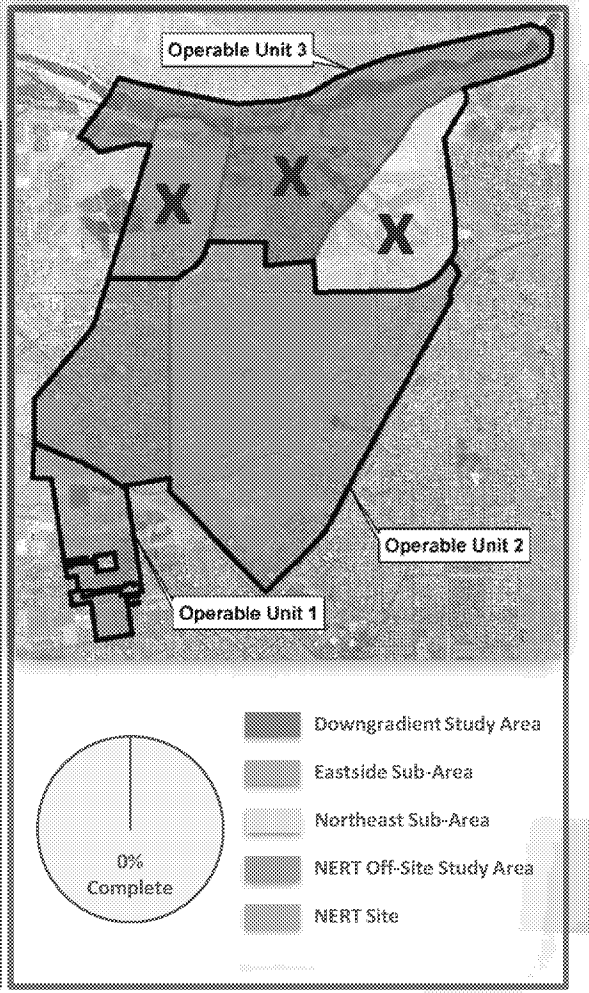
- Report preparation activities expected to begin in 2019
- Stakeholder Roundtable to be scheduled in 1Q 2020
- OU-3 RI Report to be submitted in 2Q 2020



REMEDIAL PROGRAM UPDATES

OU-3: RISK ASSESSMENTS

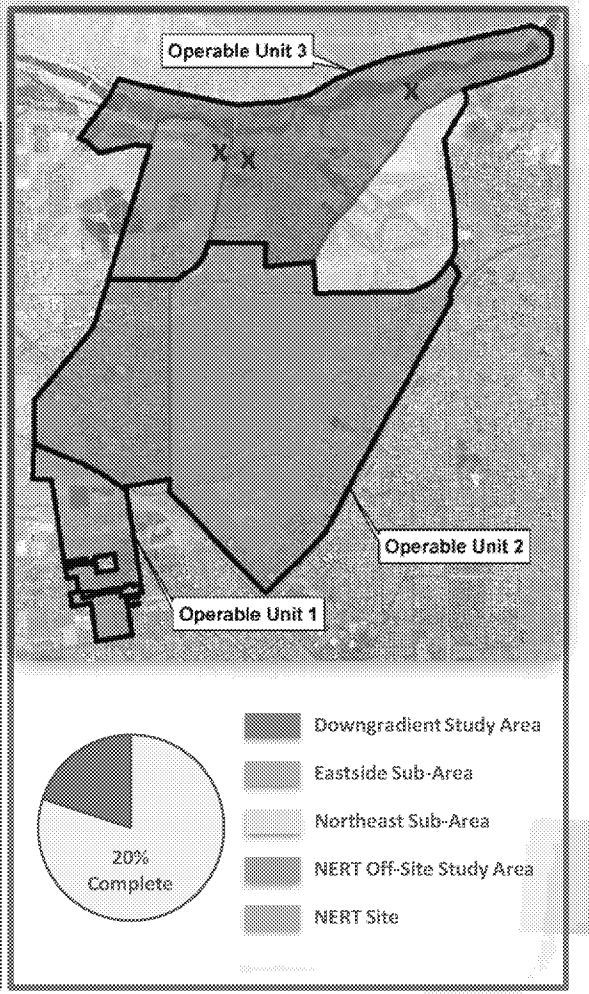
- OU-3 Baseline Ecological Risk Assessment Work Plan submitted in October 2018
- OU-3 Baseline Health Risk Assessment Work Plan to be submitted in 2Q 2019
- OU-3 Baseline Ecological and Health Risk Assessment reports to be submitted in 4Q 2020



REMEDIAL PROGRAM UPDATES

OU-3: FEASIBILITY STUDY

- Seep Area Bioremediation Treatability Study
  - Third injection completed, monitoring underway
  - Report to be submitted in 1Q 2019
- Las Vegas Wash Pilot Study
  - Transect 1A field activities complete (COH property)
  - Transect 1B activities ongoing (CC property)
  - Stakeholder Roundtable to be scheduled 1Q 2019
  - Work Plan Addendum (incl. third-party cost review) to be submitted in 1Q 2019
  - Report to be submitted in 2Q 2021
- Feasibility Study to be submitted in 4Q 2021



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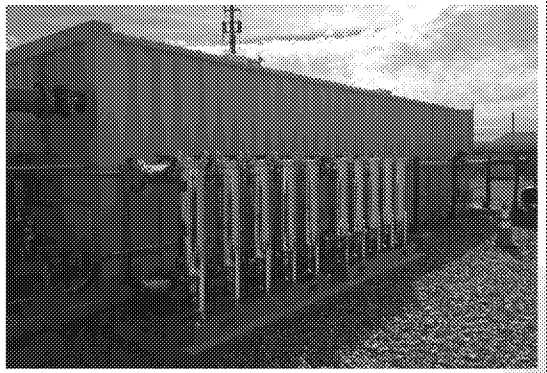
OTHER PROJECTS

4Q 2018 STAKEHOLDER CONFERENCE CALL

OTHER PROJECTS

GWETS

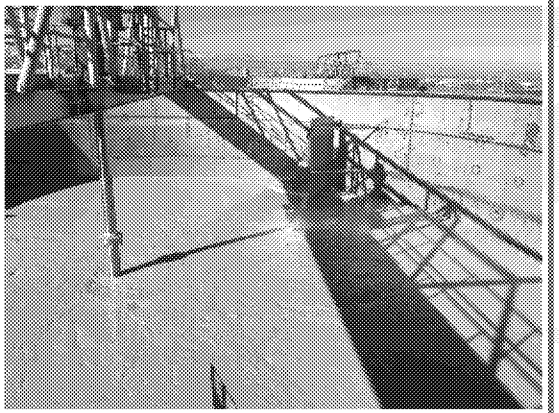
GWETS COMPONENT	STATUS	COMMENTS
Extraction Wells	Condition Normal	Average total extraction rate at ~1,270 gpm
Lift Stations / Pipelines	Condition Normal	Increased pigging implemented; coagulant change underway
GW-11 : Volume	35MG ~19 days available	Desired available volume > 17 days; Long-term plan to decommission
Chromium Treatment Plant	Condition Normal	Accepting ~70 gpm from IWF and AP Area Extraction Wells
Biological Treatment Plant	Condition Normal	Processing AP-5 material at ~7 gpm
Ion Exchange Treatment Plant	Condition Normal	Accepting ~180 gpm of 740 gpm generated from SWF

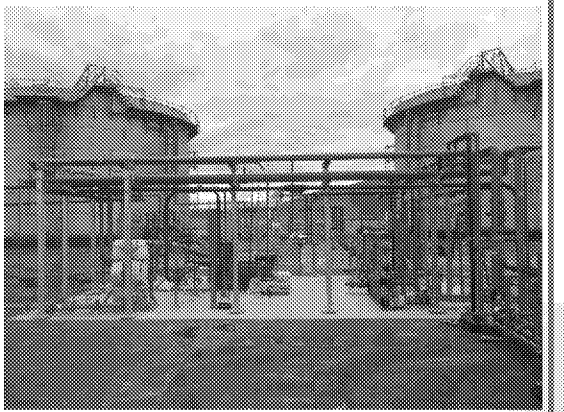


OTHER PROJECTS

AP-5

- ~1,720,500 gallons of AP wash water has been decanted and ~2,444,000 gallons have been treated by the FBRs
- Approximately 537,000 lbs of perchlorate destroyed
- In-pond solids removal activities completed July 19, 2018; Approximately 3.5M gallons of slurry transferred (containing ~ 1.4M lbs of perchlorate)
- Liner system (primary liner, secondary liner, filter fabric, drainage material, and leak detection pipe) and berm have all been removed
- Pond area has been graded in accordance with NDEP-approved closure plan
- Administrative closure in progress





OTHER PROJECTS

AP-5

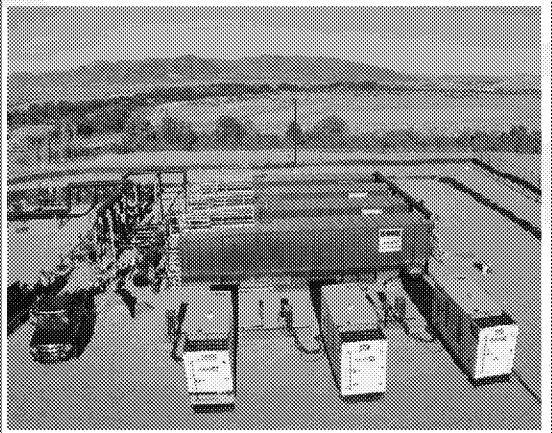
OTHER PROJECTS

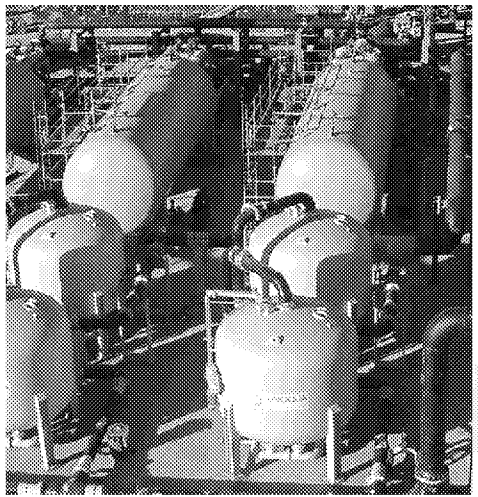
AP-5

OTHER PROJECTS

SNWA WEIR DEWATERING TREATMENT

- Historic Lateral Weir
  - Dewatering was terminated by SNWA on June 4, 2018
- Sunrise Mountain Weir
  - Dewatering was terminated by SNWA on August 14, 2018
- 6,010 lbs of perchlorate removed from the environment

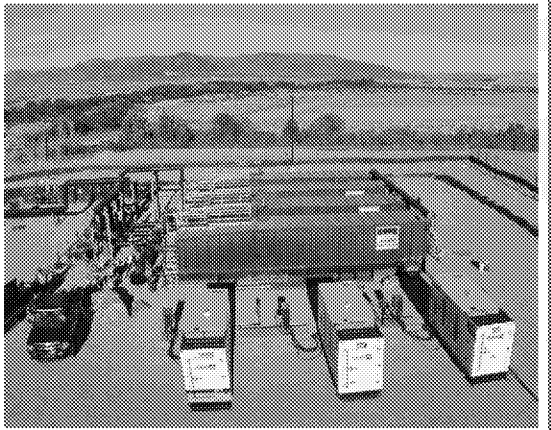


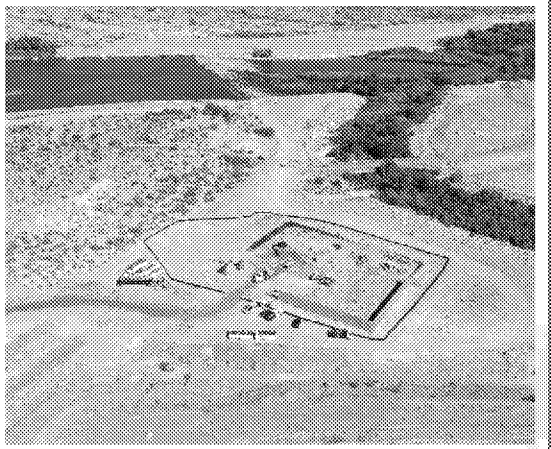


OTHER PROJECTS

SNWA WEIR DEWATERING TREATMENT

- Demolition
  - Logistical Solutions implementing HLPS demolition
    - All tanks demobilized
    - All above ground structures and conveyance pipelines removed
    - Relocated all equipment intended for reuse to NERT Site
    - Relocated aggregate within secondary containment for reuse at NERT Site
  - Schmueser and Ingram to be awarded SMPS and CWTP demolition

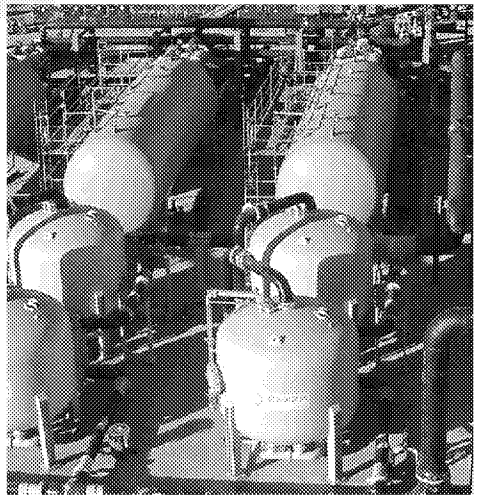




OTHER PROJECTS

SNWA WEIR DEWATERING TREATMENT

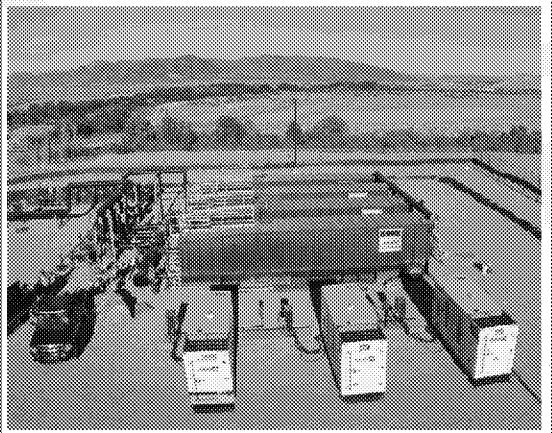
- Disposition
  - NERT to retain
    - 3 Composite Samplers
    - 10 Flow / Level Transmitters
    - 15 Valves
    - 10 Pumps
    - Site Lighting
    - Lab Equipment
  - Rental equipment return to supplier
    - Generators / Storage Tanks

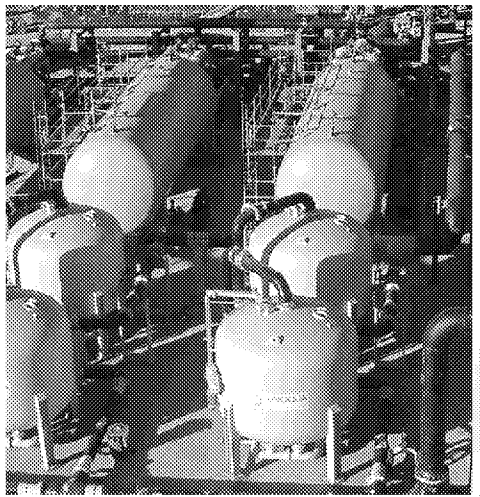


OTHER PROJECTS

SNWA WEIR DEWATERING TREATMENT

- Disposition (continue)
  - Non-Retained Elements of HLPS and Pipeline
    - Recycled or Disposed
- Restoration
  - Bureau of Reclamation approved Restoration Work Plan on October 5, 2018
  - Major components
    - Removal of all components (above and underground)
    - Grading
    - Revegetation





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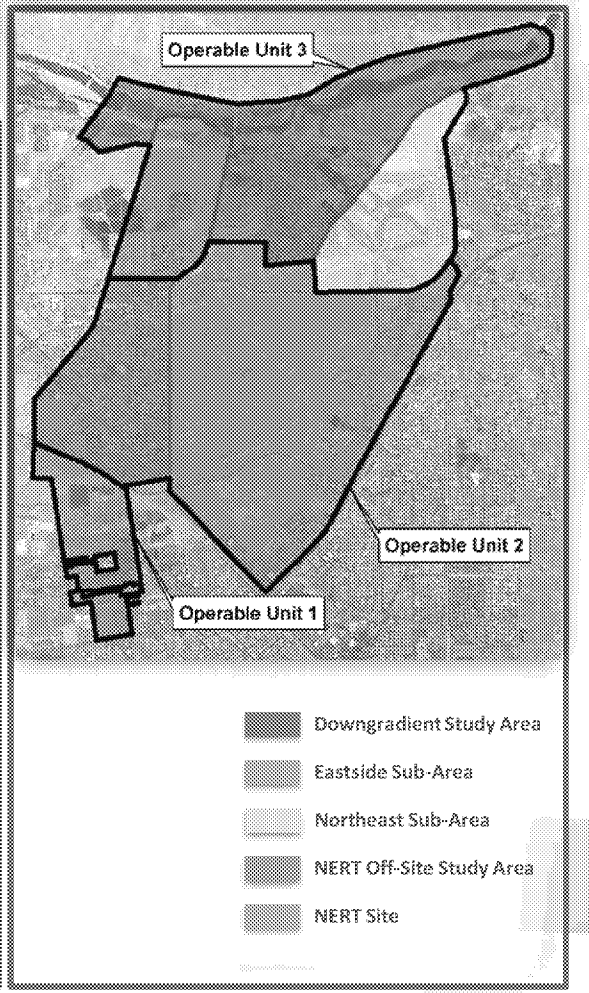
UPCOMING DELIVERABLES AND TECHNICAL ROUNDTABLES

4Q 2018 STAKEHOLDER CONFERENCE CALL

DELIVERABLES AND TECHNICAL ROUNDTABLES

UPCOMING 4Q 2018 DELIVERABLES

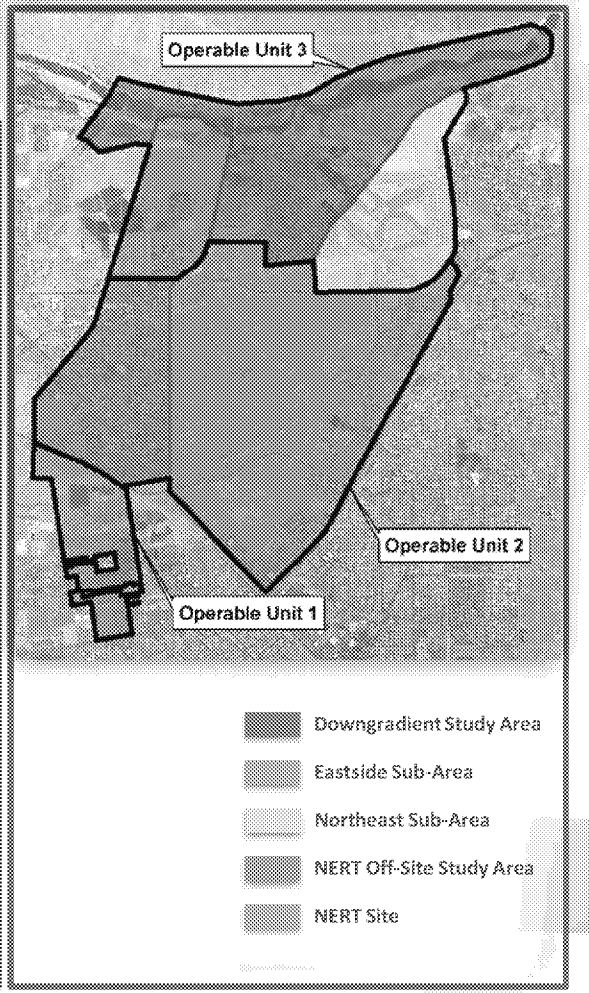
- Annual Remedial Performance Report (November 2018)
- Hydrogen-Based Gas Permeable Membrane Technology Pilot Study Work Plan (December 2018)
- Revised AP Area Down and Up Flushing Treatability Study Results Report (December 2018)



DELIVERABLES AND TECHNICAL ROUNDTABLES

TECHNICAL ROUNDTABLES

- 4Q 2018
  - OU-1 / OU-2 RI Findings and Remedial Strategy
- 1Q 2019
  - Las Vegas Wash Pilot Study Work Plan Addendum
  - Unit 4 Source Area In-Situ Bioremediation Treatability Study Work Plan Addendum
  - Galleria Road Bioremediation Treatability Study Work Plan Addendum
  - Galleria Road ZVI Treatability Study Work Plan Addendum



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STAKEHOLDER Q&A

4Q 2018 STAKEHOLDER CONFERENCE CALL

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FINANCIAL UPDATES

4Q 2018 STAKEHOLDER CONFERENCE CALL

KEY FINANCIAL PERFORMANCE DATA

Total Equity Holdings* : $328,284,223

Realized Gains/(Losses)

2018	$ 5,117,179
Since Inception *	$ 4,174,921

Unrealized Gains/(Losses)

As of 9/30/18	$ 90,246,848

Dividend Income

2018	$ 5,664,793
Since Inception *	$ 15,824,075

Total Fixed Income Holdings* : $ 782,433,000

Interest Income

2018	$ 11,379,473
Since Inception *	$ 34,163,540

Investment Fees (2018) :

U.S. Bank Custodial	$ 71,276
U.S. Bank Investment	$ 460,115
ACG	$ 120,000
	$ 651,391

NET INVESTMENT INCOME :
(excl. unrealized gains)

2018	$ 21,510,054
2017	$ 19,010,659
Since Inception *	$ 52,113,507

* *As of 9/30/18*

ENVIRONMENTAL BUDGET TRACKING

Task Grouping	Budget	Spend*	%
F : GENERAL SITE OPERATIONS	1,589,615	473,400	29.8%
G : LEASEHOLD / OFF-SITE OPERATIONS	335,000	135,400	40.4%
H : GROUNDWATER MONITORING PROGRAM	2,426,942	1,448,600	59.7%
I : GWETS OPERATIONS & MAINTENANCE (ENVIROGEN)	11,647,300	3,571,100	30.7%
J : GWETS COMPLIANCE AND REPORTING	1,255,500	419,300	33.4%
K : GWETS PROJECTS AND TRUST SUPPORT	15,215,950	7,741,800	50.9%
L : REMEDIAL INVESTIGATION PLANNING / STRATEGY	23,419,270	10,162,800	43.4%
M : REMEDIAL INVESTIGATION / FEASIBILITY STUDY	54,307,850	13,636,600	25.1%
N : DOWNGRADIENT STUDY AREA IMPLEMENTATION	1,280,800	1,122,100	87.6%
O : TRUST ENVIRONMENTAL SERVICES	1,512,600	1,126,600	74.5%
P : LEGAL ENVIRONMENTAL SERVICES	410,000	183,400	44.7%
Q : AGENCY OVERSIGHT	770,000	410,000	53.2%
S : FINANCIAL INSTITUTION FEES (ENVIRONMENTAL FUNDS)	739,500	502,800	68.0%
Total Estimated Q1-Q3 Environmental Spend	**114,910,327**	**40,933,900**	**35.6%**

** As of 9/30/18*

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CLOSING REMARKS

4Q 2018 STAKEHOLDER CONFERENCE CALL

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HYDROGEN PERMEABLE MEMBRANE PILOT STUDY

4Q 2018 STAKEHOLDER CONFERENCE CALL

HYDROGEN PERMEABLE MEMBRANE PILOT

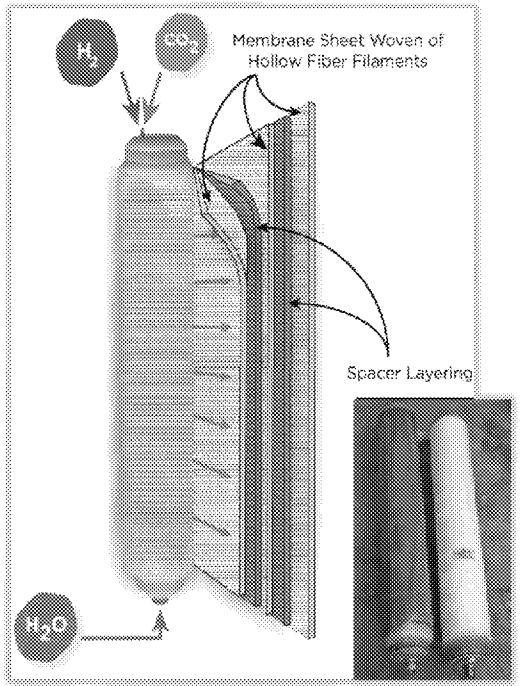
Project History

- Hydrogen Gas Permeable Membrane technology (APT Water) was initially evaluated in 2016 but not pursued because prior demonstration projects focused on lower flow rates and lower perchlorate concentrations.
- APT presented additional data and NERT conducted further evaluations and concluded that APT's technology could be a cost-effective alternative to FBR technology or a remedial co-technology as part of NERTs final remedy.
- APT will provide engineering, start-up, operational, and data management support during the pilot program at no cost, a savings to the Trust of approximately $150,000.
  - The Trust will provide funding for APT equipment upgrades to the Pilot Test Unit.

HYDROGEN PERMEABLE MEMBRANE PILOT

Technology Overview

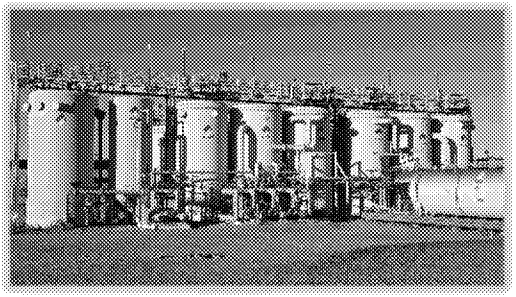
- The Hydrogen-based Gas Permeable Membrane technology is a biological treatment system developed by APT Water.
- In the APT system, bacteria grows on sheets of woven hollow fibers.
- Several membrane sheets of hollow fibers are spiral wound around a water feed tube with a water channel spacer between the sheets.
- Pressurized H_2 (the electron donor) is fed through the hollow fibers and diffuses through the membrane.
- Water passes through the sheets, contacts biofilm, and biodegradation occurs.

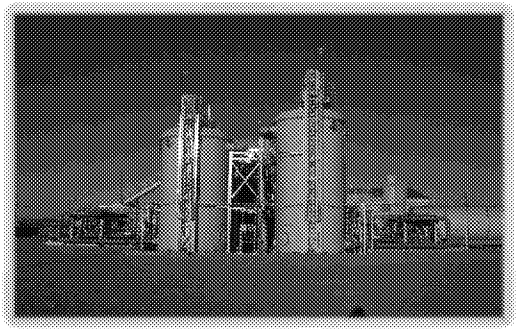


HYDROGEN PERMEABLE MEMBRANE PILOT

Advantages Over Fluidized Bed Reactor Technology

- Lower electron donor cost for direct hydrogen addition
  - In the FBRs, ethanol is converted to hydrogen - hydrogen is the actual electron donor.
  - In the APT system, hydrogen is used in lieu of ethanol.
- Reduced waste
  - APT operational data has demonstrated less biological solids are generated compared to FBRs.
- Control Stability
  - No carbon donor to add or residual carbon donor to remove.
  - Hydrogen supply automated to respond immediately to biomass demand.





HYDROGEN PERMEABLE MEMBRANE PILOT

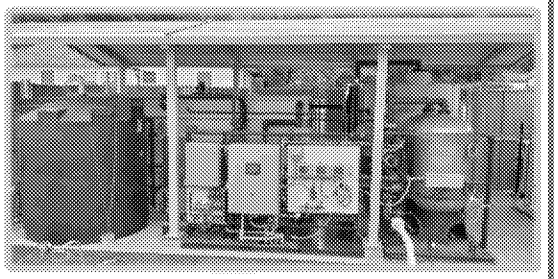
Potential Advantages to NERT

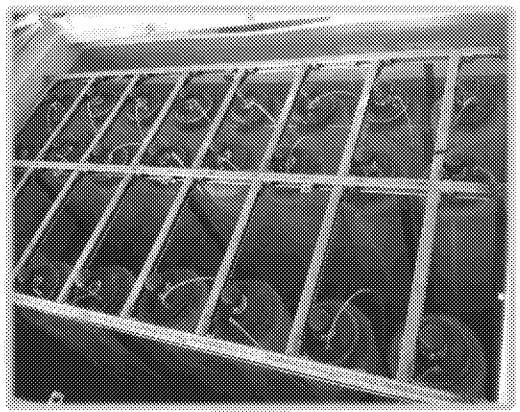
- The prime objective of the study is to develop preliminary cost data to compare APT and FBR technologies.
- APT operational data appear to indicate that APT System operating cost could be much lower than the FBR operating cost.
- Lower donor cost for direct hydrogen addition.
  - Hydrogen generated by electrolysis is cheaper than the cost of a carbon (ethanol) donor on an equivalent demand basis.
- Greener technology
  - Reduced excess biological solids results in reduced waste handling, transportation and disposal costs.
  - Reduced chemical usage and transportation (i.e. no ethanol shipments).

HYDROGEN PERMEABLE MEMBRANE PILOT

Existing APT Facilities

- Certified for Drinking Water in California
  - 130 gpm commercial unit in Rialto, CA for nitrate treatment; operating more than 1 year.
  - 150 gpm commercial unit began operation in 3Q 2018 in La Crescenta, CA for nitrate treatment.
- 11 Pilot Plant projects:
  - 3 gpm water containing 14 ppm perchlorate reduced to less than 4 ppb.
  - 14 gpm water contaminated with nitrate and perchlorate; perchlorate was reduced to less than 10 ppb.





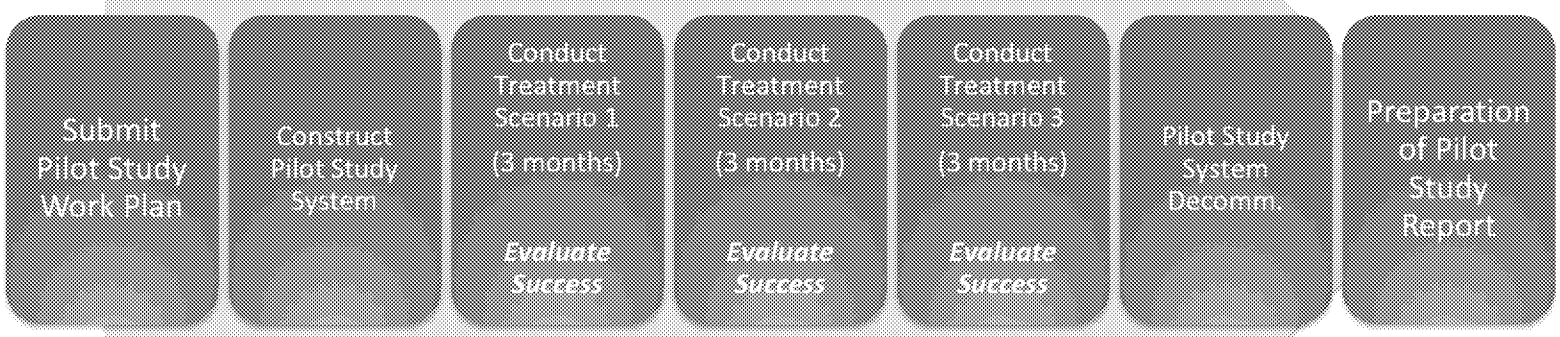
HYDROGEN PERMEABLE MEMBRANE PILOT

Pilot Study Objectives

- Demonstrate the ability of the technology to treat various influent concentrations of perchlorate to less than 18 ppb, the current GWETS perchlorate discharge limit.
- Demonstrate that hexavalent chromium can be effectively reduced to trivalent chromium, and subsequently removed from the water.
- Demonstrate stable and automated treatment system operation and performance.
- Determine and demonstrate the scalability of the system.
- Demonstrate onsite H_2 generation is cost-effective.
- Develop site-specific operating cost estimates to compare to FBR technology.
- If successful, develop key design and operating information for sizing and developing full-scale treatment system for use in alternative evaluation in the FS.

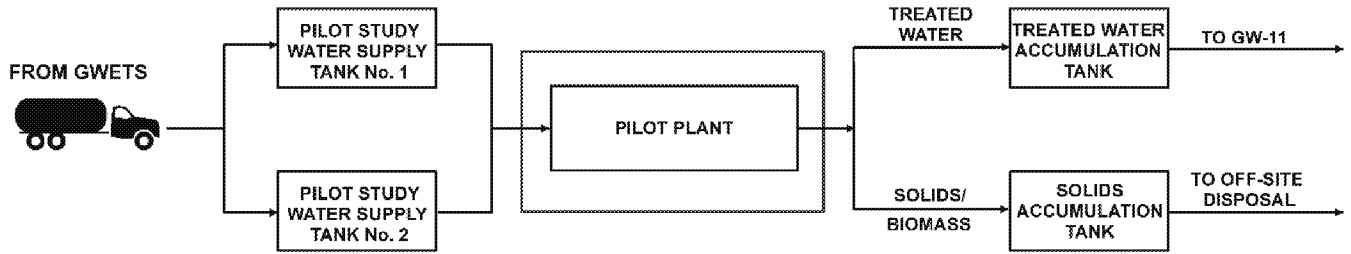
HYDROGEN PERMEABLE MEMBRANE PILOT

Pilot Study Strategy



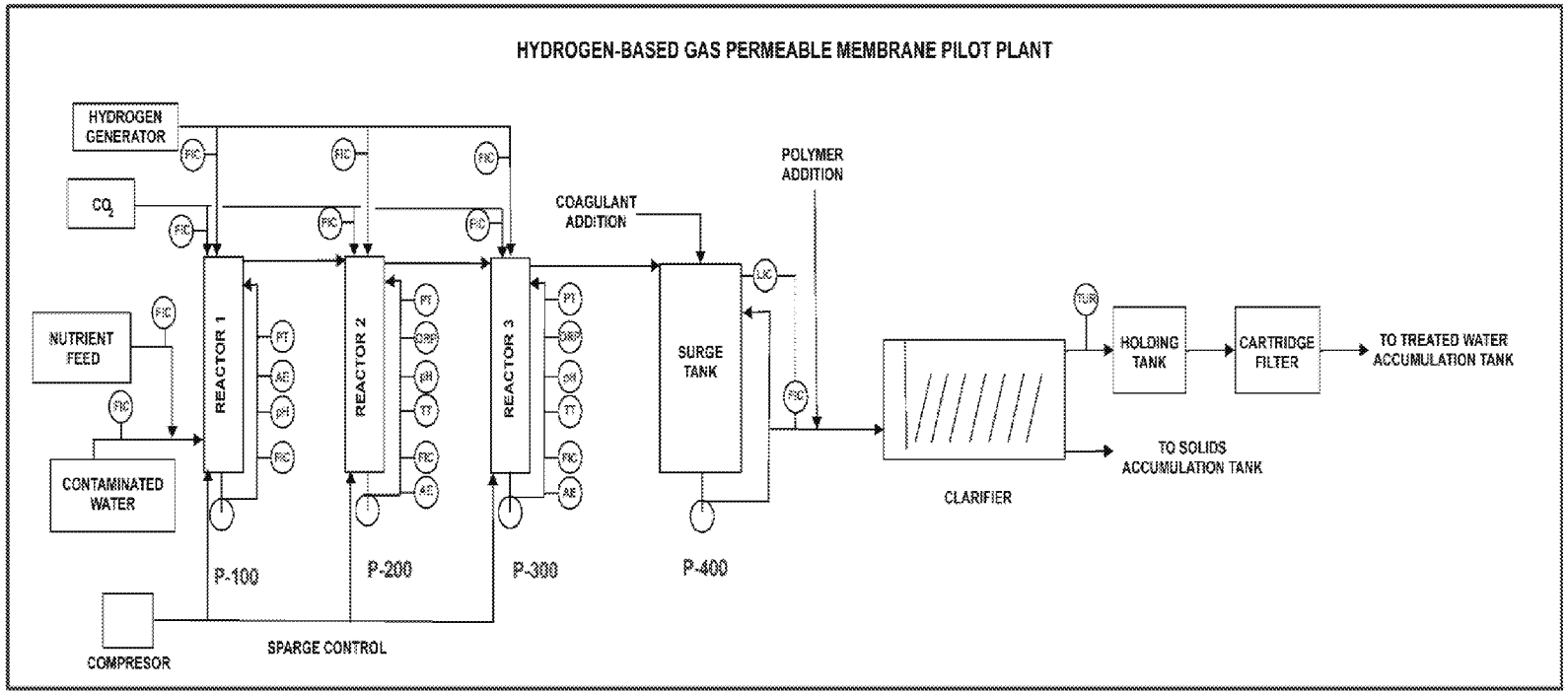
HYDROGEN PERMEABLE MEMBRANE PILOT

Treatment System Conceptual Design



HYDROGEN PERMEABLE MEMBRANE PILOT

Treatment System Conceptual Design



HYDROGEN PERMEABLE MEMBRANE PILOT

Pilot Study Scenarios

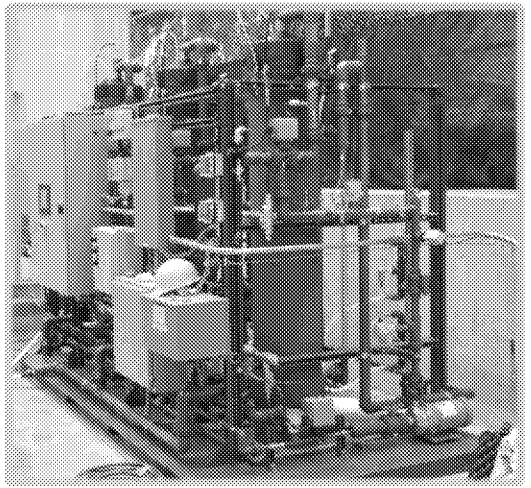
To obtain data representative to all contemplated influent sources the following scenarios were developed:

- No. 1 – Existing FBR groundwater influent
  - Water fed to FBRs from SWF, AWF, and IWF
  - Obtain test water from EQ Tanks
- No. 2 – Blend of AWF and IWF water after chromium removal
  - Obtain AWF water from Lift Station 3 sump
  - Obtain IWF water from GWTP effluent pump
- No. 3 – Scenario #2 without chromium removal
  - Obtain IWF water from feed water storage tank at GWTP – prior to chromium treatment

HYDROGEN PERMEABLE MEMBRANE PILOT

Treatment System Details

- An existing APT pilot unit will be modified for use in the pilot test.
- Existing unit consists primarily of three reactor modules containing the hollow-fiber membranes and associated pumps and controls.
- Modifications will include:
  - A small hydrogen generator.
  - A chemical feed system and clarifier to separate excess biological solids from treated water.
  - A filtration system for residual solids removal.
  - An air supply system for sparging.
  - Sample ports at various locations.



HYDROGEN PERMEABLE MEMBRANE PILOT

Cost Considerations

Hydrogen-based Gas Permeable Membrane Pilot Study	
Scope Item	*Conceptual Cost*
Work Plan	$60,000
Design - Pilot Unit Upgrades and Site Improvements	$225,000
Implement - Pilot Unit Upgrades and Site Improvements	$640,000
Final Installation and Start-up	$50,000
Operations - Three Test Scenarios ($225,000 each)	$675,000
Decommissioning	$100,000
Reporting	$150,000
TOTAL	$1.9M

HYDROGEN PERMEABLE MEMBRANE PILOT

Pilot Study Schedule

Hydrogen-based Gas Permeable Membrane Pilot Study	Q4 2018			Q1 2019			Q2 2019			Q3 2019			Q4 2019			Q1 2020			Q2 2020			Q3 2020		
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S
Work Plan Approval																								
Pilot Unit Design & Upgrades																								
Site Improvements Design and Construction																								
Final Installation and Start-up																								
Complete Three Test Scenarios																								
Test No. 1																								
Test No. 2																								
Test No. 3																								
Decommissioning and Reporting																								